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MONTANA LEGISLATIVE HISTORY

Chapter 298 1997

Bill H _____ S 112 Original bill & history ____C

H. Committee on Business & Labor		S. Committee on Business & Industry	
Hearing Date(s) Mar 12	✓ C	Hearing Date(s) Jan 21	✓ C
_____	____C	Jan 29	✓ C
_____	____C	_____	____C
_____	____C	_____	____C
Date Out _____	____C		

Did this bill originate in an interim committee? ____Yes ____No

Committee _____ Report _____

1997 LEGISLATIVE HISTORY

The 1997 Montana Legislature has dramatically changed the nature of the legislative minutes. Specifically, the minutes from House committees are extremely sparse in content, offering no substantive information from which to glean legislative intent. The Senate committees' minutes are somewhat fuller in content. Exhibits available from the State Law Library (which may include written statements, attendant information, roll call votes, roll call attendance, a list of public members present, specific action taken on legislative bills, etc.) are included with this request. For information on other exhibits, contact the Montana Historical Society Archives at 444-4774. Exhibits may also be purchased on a CD-ROM from the Montana Legislative Council (444-3064).

Just as in the 1995 legislative session, the House and Senate hearings were recorded. The Historical Society is the depository for the tapes. For information on accessing the tapes, call the archives at 444-4774.

If you have concerns over the format of the 1997 legislative minutes, it is suggested that you contact your state legislators.

2/17	3RD READING PASSED	50	0
	TRANSMITTED TO HOUSE		
2/21	FIRST READING		
2/21	REFERRED TO BUSINESS & LABOR		
3/11	REVISED FISCAL NOTE REQUESTED		
3/11	REVISED FISCAL NOTE RECEIVED		
3/11	REVISED FISCAL NOTE PRINTED		
3/12	HEARING		
3/13	COMMITTEE REPORT—BILL CONCURRED AS AMENDED		
4/03	2ND READING CONCURRED	79	19
4/04	3RD READING CONCURRED	84	15
	RETURNED TO SENATE WITH AMENDMENTS		
4/08	2ND READING AMENDMENTS CONCURRED	50	0
4/09	3RD READING CONCURRED AS AMENDED	50	0
4/14	SIGNED BY PRESIDENT		
4/15	SIGNED BY SPEAKER		
4/15	TRANSMITTED TO GOVERNOR		
4/17	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 298		
	EFFECTIVE DATE: 10/01/97		

SB 113 INTRODUCED BY MCCARTHY *LC0393 DRAFTER: MALY*

REVISE THE DEFINITION OF "INSURANCE-SUPPORT ORGANIZATION"

BY REQUEST OF STATE AUDITOR

1/01	INTRODUCED		
1/03	REFERRED TO BUSINESS & INDUSTRY		
1/06	FIRST READING		
1/23	HEARING		
1/30	COMMITTEE REPORT—BILL PASSED AS AMENDED		
2/04	2ND READING PASSED	50	0
2/05	3RD READING PASSED	50	0
	TRANSMITTED TO HOUSE		
2/06	FIRST READING		
2/06	REFERRED TO BUSINESS & LABOR		
3/21	HEARING		
3/22	COMMITTEE REPORT—BILL CONCURRED		
4/03	2ND READING CONCURRED	93	5
4/04	3RD READING CONCURRED	93	6
	RETURNED TO SENATE		
4/08	SIGNED BY PRESIDENT		
4/08	SIGNED BY SPEAKER		
4/09	TRANSMITTED TO GOVERNOR		
4/14	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 258		
	EFFECTIVE DATE: 10/01/97		

SB 114 INTRODUCED BY WATERMAN *LC0430 DRAFTER: FOX*

REVISE THE LAWS RELATING TO LIABILITY FOR A RESIDENT'S COST OF CARE IN A STATE INSTITUTION

BY REQUEST OF DEPARTMENT OF PUBLIC HEALTH & HUMAN SERVICES

1/01	INTRODUCED
1/03	REFERRED TO STATE ADMINISTRATION
1/03	FISCAL NOTE REQUESTED
1/06	FIRST READING
1/13	FISCAL NOTE RECEIVED
1/14	FISCAL NOTE PRINTED

3/27 SIGNED BY SPEAKER
3/27 TRANSMITTED TO GOVERNOR
4/01 SIGNED BY GOVERNOR
CHAPTER NUMBER 189
EFFECTIVE DATE: 04/01/97—SECTIONS 21 & 31
EFFECTIVE DATE: 07/01/97—SECTION 4
EFFECTIVE DATE: 10/01/97—SECTIONS 1-3, 5-20 & 22-30

SB 110 INTRODUCED BY BECK *LC0324 DRAFTER: FOX*

AUTHORIZE THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES TO ESTABLISH PARENTAL CONTRIBUTIONS TOWARD A YOUTH'S CARE, CUSTODY, AND TREATMENT

BY REQUEST OF DEPARTMENT OF PUBLIC HEALTH & HUMAN SERVICES

1/01	INTRODUCED		
1/03	REFERRED TO STATE ADMINISTRATION		
1/03	FISCAL NOTE REQUESTED		
1/06	FIRST READING		
1/15	HEARING		
1/16	FISCAL NOTE RECEIVED		
1/16	FISCAL NOTE PRINTED		
1/23	COMMITTEE REPORT—BILL PASSED AS AMENDED		
1/25	2ND READING PASSED	41	5
1/27	3RD READING PASSED	50	0
	TRANSMITTED TO HOUSE		
1/28	FIRST READING		
1/28	REFERRED TO JUDICIARY		
3/07	HEARING		
3/07	TABLED IN COMMITTEE		
	DIED IN COMMITTEE		

SB 111 INTRODUCED BY WATERMAN *LC0386 DRAFTER: NISS*

PROVIDE FOR MONTHLY REPORTS TO POLICYHOLDERS, PROVIDE DEFINITIONS, REGULATE POLICY TERMS, ETC., RELATED TO LONG-TERM CARE INSURANCE

BY REQUEST OF STATE AUDITOR

1/01	INTRODUCED		
1/03	REFERRED TO BUSINESS & INDUSTRY		
1/03	FISCAL NOTE REQUESTED		
1/06	FIRST READING		
1/13	FISCAL NOTE RECEIVED		
1/14	FISCAL NOTE PRINTED		
1/21	HEARING		
1/29	TABLED IN COMMITTEE		
3/03	MISSED DEADLINE FOR 45TH DAY TRANSMITTAL		
	DIED IN COMMITTEE		

SB 112 INTRODUCED BY VAN VALKENBURG *LC0390 DRAFTER: MALY*

CREATE A VIATICAL SETTLEMENT ACT

BY REQUEST OF STATE AUDITOR

1/01	INTRODUCED		
1/03	REFERRED TO BUSINESS & INDUSTRY		
1/06	FIRST READING		
1/21	HEARING		
1/29	TABLED IN COMMITTEE		
2/13	COMMITTEE REPORT—BILL PASSED		
2/15	2ND READING PASSED	50	0

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for SB0111, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:
A bill relating to long-term care insurance, and providing for monthly reports to policyholders.

ASSUMPTIONS:
1. Long-term care insurers will be required to file additional long-term care insurance policies and certificates with the State Auditor's Office (SAO). This will add to the review process currently being performed by the SAO, and will slow the current review process, but it will be absorbed by existing staff.
2. Adoption of rules will require approximately 40 pages of Administrative Rules at $35 per page.

FISCAL IMPACT:
Minimal fiscal impact that will be absorbed within existing budget.

Dave Lewis 1-11-97
DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

Mignon Waterman 1-13-97
MIGNON WATERMAN, PRIMARY SPONSOR DATE

Fiscal Note for SB0111, as introduced

SB 111

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for SB0112, third reading

DESCRIPTION OF PROPOSED LEGISLATION:
An act creating a viatical settlement act; providing for licensure of viatical settlement providers and brokers; providing for regulation by the insurance commissioner; providing authority to promulgate rules; providing minimal requirements for viatical settlement contracts; providing for examination of licensees and license applicants; providing for disclosure of information; providing for conditions precedent to viatical settlement contracts; providing for confidentiality; and providing requirements for payment pursuant to viatical settlement contracts.

ASSUMPTIONS:
1. The bill requires a license for those who sell viatical settlements. Approximately 200 people will receive licenses and pay a $15 initial license fee, and a $10 appointment fee, or new revenue of $5,000 to the general fund ($3,700 in fiscal year 1998, and $1,300 in fiscal year 1999)
2. Forms will be filed by 25 companies offering viatical settlements, at $25 per form, or $625 in general fund revenue in fiscal year 1998.
3. Annual reports, at a yearly fee of $600, are required to be filed by companies offering settlements. This will result in new general fund revenue of $15,000 (25 x $600) per year.
4. The State Auditor's Office (SAO) will adopt 10 pages of rules regarding filing of annual reports and 10 pages of rules regarding disclosure forms at $35 per page, for a total cost of $700 (20 x $35) in fiscal year 1998.
5. Companies will be examined on the same basis as insurance companies, once every five years. Five exams will be conducted each fiscal year. Exams are conducted by contract examiners and costs (approximately $2,000 each) are recovered from the companies through a state special revenue account. The total increase in revenues and expenses will be $10,000 per year.
6. There will be an estimated three complaints that result in enforcement actions in fiscal year 1998 and five complaints in fiscal year 1999, and each year thereafter. Investigation costs related to these actions will be $2,000 per year. It is estimated that one of the cases will be appealed to a contested hearing each year. Taking of complaints and enforcement actions will be handled by existing staff. Fine revenue will be $5,000 per year beginning in fiscal year 1999.
7. Contracted services of $2,000 will be procured in fiscal year 1998 to integrate a licensing system into the SAO's existing information system.

FISCAL IMPACT:

State Auditor's Office:	FY98 Difference	FY99 Difference
Expenditures:		
Operating Expenses	14,700	12,000
Funding:		
General Fund (01)	4,700	2,000
State Special (02)	10,000	10,000
Total	14,700	12,000
Revenues:		
General Fund (01)	19,325	21,300
State Special (02)	10,000	10,000
Total	29,325	31,300
Net Impact on Fund Balance: (revenue minus expense)		
General Fund (01)	14,625	19,300

Dave Lewis 3-11-97
DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

Fred Van Valkenburg 3-11-97
FRED VAN VALKENBURG, PRIMARY SPONSOR DATE

Fiscal Note for SB0112, third reading

SB 112

Don Allen, MT Medical Benefit Plan. I would echo those who are in support of this bill as amended.

Opponents' Testimony: **None**

Questions From Committee Members and Responses:

SEN. BEA MCCARTHY asked **Mr. Dailey** how this bill would tie in with the long term bill that **SEN. WATERMAN** carried last week? **Mr. Dailey** recalled that piece of legislation dealt with the partnership program and I believe they will dovetail nicely. There is a bit of distinction but this bill will not affect that. **SEN. MCCARTHY** continued with the question that is this bill the prior piece of legislation that you need? **Mr. Dailey** answered that he felt that this legislation is all a part of a package.

SEN. STEVE BENEDICT asked **Mr. Dailey** if this bill was redundant, was it already a part of the "K-K" legislation? **Mr. Dailey** answered no, and said that they had made the decision earlier on to separate this portion of "K-K" out of the rest of the "K-K" legislation simply because this product was so unique, had its own sets of problems, its own vernacular, etc. What was driving this was more tax related issues.

Closing by Sponsor:

SEN. WATERMAN closed. This bill does implement the long term care portion of the "K-K" in Montana and it is important to separate it out. One of the parts of "K-K" I like is the tax deductibility for long term care insurance. This along with the partnership bill last week will encourage people again to plan for their own long term care. This should be good for Montana also. I ask for a Do Pass for SB 111.

{Tape: 1; Side: A; Approx. Time Count: 9:19 am; Comments: N/A}

HEARING ON SB 112

Sponsor: **SENATOR FRED VAN VALKENBURG, SD 32, MISSOULA**

Proponents: **Frank Cote, Deputy Insurance Commissioner**
Susan Good, MT Assoc. of Life Underwriters
Tom Hopgood, American Council of Life Insurance
Dick Pattison, MT Senior Citizens Assoc.
Roger McGlenn, Independent Insurance Agents Assoc. of Montana

Opponents: **None**

Opening Statement by Sponsor:

SENATOR FRED VAN VALKENBURG, SD 32, MISSOULA. SB 112 is a bill that I have introduced at the request of the Insurance

Commissioner, State Auditor. It is a bill that would essentially regulate the sales of viatical settlement contracts in the State of Montana. If you are like I am, you want to know what a viatical settlement contract is. Even though I had Latin in high school, I had never heard of the term viatical. I was informed by **Mr. Cote** that it is a derivative of the Latin term, viaticum. Viaticum is a term that early Christians used to describe the providing of spiritual well-being to individuals who were about to engage in their journey into the next world. This seems to explain how the sellers of viatical settlement contracts have decided to use this term to talk about providing provisions to people of this world who are about to pass onto the next world. In other words, people who have life insurance contracts who have found out that they are terminally ill with a year or two to live are able to sell those life insurance contracts to a third party (a viatical settlement company). This company will generally provide them with a cash settlement in exchange for their right to collect the life insurance proceeds that would otherwise go to the individual's beneficiary upon their death. This is a relatively new development. It has accelerated substantially with the emergence of AIDS. The Insurance Commissioner has recommended that we adopt some kind of regulatory scheme to make sure that individuals in this situation would be protected because they may not be in a good state of mind that would enable them to use good judgment in these matters.

The bill that is being proposed is one that has largely been drafted from a model legislation proposed by the National Association of Insurance Commissioners. It also is drafted in compliance with provisions of the Kennedy-Kassebaum bill that passed through Congress and provides some favorable tax treatment to those who receive the proceeds from viatical settlement agreements if the requirements of the "K-K" Act are satisfied. The essential provisions of this particular bill are to provide a third party that would engage in these transactions, and they are generally not insurance companies and are unregulated business entities, would have to file a standard form with the Insurance Commissioner's office indicating they would provide the individual involved in a settlement agreement the ability to rescind that agreement either within 30 days of the time they entered into the contract or 15 days after they received the proceeds of the agreement whichever came later. There would have to be certain disclosures to the policy holder before the contract could be valid. The recommendation by the Insurance Commissioner and the National Assoc. of Insurance Commissioners would be full disclosure and the right to rescind with respect to these contracts. There are other technical provisions. **Frank Cote,** from the Insurance Commissioner's office, is here to provide testimony and answer questions.

Proponents' Testimony:

Frank Cote, Deputy Insurance Commissioner. SEN. VAN VALKENBURG has explained the bill very well. I would like to preempt **SEN.**

STEVE BENEDICT on his question from the last bill, SB 111. This bill was separated out as this is a very thick piece of legislation. I will be available for other questions.

Susan Good, MT Assoc. of Life Underwriters. While we do not for a moment believe this is a life insurance issue, it is a very important issue, nonetheless. It does require regulation because the people involved in getting these benefits are fragile and vulnerable. MT Assoc. of Life Underwriters has for many years been highly skeptical of any type of legislation that tells a person what they may or may not make in the form of a commission. We would ask that your committee look at Section 8. We would ask you to think about what kind of problem that may or may not be. We understand the gravity of this issue and this is our only concern that we would bring before you.

Tom Hopgood, American Council of Life Insurance. This is an issue that is not directly related to life insurance, but it is however that is collaterally related since life insurance policies are the basis of viatical settlements. It is the announced policy of the ACLI that we do support well-founded legislation based upon the recommendations of the NAIC. We are in support of SB 112.

Dick Pattison, MT Senior Citizens Assoc. We believe this legislation is not only important for the senior citizen but for all Montanans. We urge a Do Pass.

Roger McGlenn, Executive Director, Independent Insurance Agents Assoc. of MT. For the reasons you have heard, we also stand in strong support of this bill.

Opponents' Testimony: None

{Tape: 1; Side: A; Approx. Time Count: 9:30 am; Comments: N/A.}

Questions From Committee Members and Responses:

SEN. STEVE BENEDICT asked **Mr. Cote** if he felt this bill could be rolled into some of the "K-K" legislation that is currently going through the process so that we don't have two or three bills moving through the legislative process that costs us money to have hearings, etc. and develop one nice package. **Mr. Cote** answered there is no reason why that couldn't be done. **SEN. BENEDICT** then asked if this model had been fully adopted by the NAIC? **Mr. Cote** responded that all the insurance commissioners have not formally adopted this simply because they have not had an opportunity to vote on it. **Mr. Cote** told the committee and the **SENATOR** that approximately 19 states have at this point regulated viatical settlements and most if not all of them are based upon this model.

SEN. DEBBIE SHEA asked **SEN. VAN VALKENBURG** to set up a scenario. The **SEN.** complied.

SEN. BEA MCCARTHY asked **Mr. Cote** where the necessary medical validations were in the bill? **Mr. Cote** pointed out that there are requirements that the person who is terminally ill or the policy owner must validate that the person is terminally ill. It would be either the personal physician of the insured or the personal physician of the policy owner. **SEN. MCCARTHY** followed up with the question that would the settlement that the individual receive be subject to a lien concept such as first right to pay medical bills, second right to pay the mortgage? **Mr. Cote** replied that mostly likely, yes; and that is one of the disclosures that would be required. The person receiving the proceeds must understand that the money could be subject to the lien process.

SEN. BENEDICT asked **Mr. Cote** why they are setting broker commissions in statute? **Mr. Cote** responded with a hypothetical situation of someone with a terminal illness and a $100,000 life insurance policy. If this person were dealing with a not-so-reputable insurance agent or producer and the agent knew his client had a terminal illness, the agent could get close to $2,000 if the agent could convince that person to get the viatical settlement. **SEN. BENEDICT** stated that he was not comfortable with setting commissions in law. He feels that this should be negotiable with the involved persons. **Mr. Cote** answered that there are others places were commissions are set by law. **SEN. BENEDICT** wanted to know if this was a "go to the wall" issue with the Insurance Commissioner's office? **Mr. Cote** responded that the answer is not a "go to the wall" provision, but he was not sure whether "K-K" legislation requires that. He did strongly encourage this provision remain in the bill.

CHAIRMAN JOHN HERTEL asked **SEN. VAN VALKENBURG** about Section 12 where it explains some of the different things as far as the policy holders are concerned and would a power-of-attorney have the ability to make these judgments? **SEN. VAN VALKENBURG** responded that he didn't think there was any specific reference in the bill that a power-of-attorney was needed. The general rules of using a power-of-attorney would apply here as to any other contract. However, in Section 13 there are conditions precedent to entering into these agreements that require the person be of sound mind and is under no undue influence. There might be instances that a power-of-attorney would be needed such as in the case of a person unable to sign a document or unable to communicate.

{Tape: 1; Side: A; Approx. Time Count: 9:43 am; Comments:N/A.}

<u>Closing by Sponsor</u>:

SEN. VAN VALKENBURG closed. With respect to **SEN. MCCARTHY'S** question, I believe that in Section 13 of the bill there is a requirement in Subsection B,2 that a person acknowledges the illness or condition is terminal and then further there is a provision for release of medical records under Subsection B,5.

As far as **SEN. BENEDICT'S** concerns about this bill being part of another bill, I would remind the committee of the Constitutional provision in Montana that requires each bill have only one subject and that basically insures we are not forced into voting for something we want because it has been put into another bill that we don't want. This bill I am proposing is not required to be passed to conform to anything. This is a discretionary act on the part of the Montana Legislature whether it wants to regulate viatical settlement contracts. I would appreciate a Do Pass.

{Tape: 1; Side: A; Approx. Time Count: 9:57 am; Comments: N/A.}

HEARING ON SB 80

Sponsor: **SENATOR JOHN HERTEL, SD 47, MOORE**

Proponents: **Frank Cote, Deputy Insurance Commissioner**
Susan Good, MT Life of Underwriters
Tanya Ask, Blue Cross and Blue Shield of Montana
Tom Hopgood, Health Insurance Assoc. of America

Opponents: **None**

Opening Statement by Sponsor:

SEN. JOHN HERTEL, SD 47, MOORE. I bring to you this morning SB 80. This bill is a consumer protection bill that would prohibit health insurance companies from underwriting a risk after a policy has been issued unless fraudulent statements or misrepresentations were made on the application. Underwriting is a process done by the insurer in collecting all the facts about a risk. Then the insurer will decide if he will accept the risk or decline the risk or place a rider on that risk. A rider is simply an attachment on the policy that specifically adds or deletes coverage. A small example of this might be: A health insurance policy is issued without the insurer reviewing the applicant's medical record or the application fails to specifically request information about an applicant's condition. After a policy holder claim is submitted, the insurer then requests medical records in an attempt to deny coverage or cancel the insured's policy. Sometimes information on the policy holder's condition or information related to the condition was discussed on the application but the underwriting was not done properly. This bill would protect the policy holder from the insurer going back and doing what is called "post-claim" underwriting. Again, the policy holder is protected by this bill. However, the policy holder must give corrected information on the application.

Proponents' Testimony:

Frank Cote, Deputy Insurance Commissioner. This is a consumer protection bill. It is a simple bill. SB 80 is designed to stop the following examples from happening. One example is a person

MONTANA SENATE
1997 LEGISLATURE
BUSINESS AND INDUSTRY COMMITTEE

ROLL CALL DATE 1-21-97

NAME	PRESENT	ABSENT	EXCUSED
WILLIAM CRISMORE	X		
CASEY EMERSON	excused		X
BEA MC CARTHY	X		
DEBBIE SHEA	X		
STEVE BENEDICT, VICE CHAIRMAN	X		
JOHN HERTEL, CHAIRMAN	X		

SEN:1997
wp.rollcall.man
CS-09

DATE Jan 21, 1997

SENATE COMMITTEE ON Business + Industry

BILLS BEING HEARD TODAY: SB 80, 111, 112

< ■ > PLEASE PRINT < ■ >

Name	Representing	Bill No.	Check One: Support	Oppose
M Susan Good	MALU	80, 111, 112	✓ ✓ ✓	
Ilve Thomas	AARP	SB 111	✓	
Clyde Daily	State auditor	SB 111	✓	
Frank Cote	St. Auditor	SB 80, 112	✓	
Roger McGlenn	IND. INS. AGENTS ASS'C. OF MT	SB 112	✓	
Anya Ask	Blue Cross/Blue Shield	SB 80, SB 111	✓	
Dick Pattison	MT Senior Citizens Assn	SB 111, SB 80, SB 112	✓ ✓ ✓	
Don Allen	MMIP	SB 111, SB 80	✓ ✓	
Tom Hopgood	American Council Life Ins.	SB 112, SB 80	✓	
Tom Hopgood	Hlth. Ins. Assn. America	SB 111	✓	

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

REGISTER.F10

SEN. HERTEL asked if the Montana Board of Real Estate Appraisers determined how much extra education an appraiser should get. **Mr. Rose** said the Appraisal Foundation had come out with their standard of 14 hours a year, or 45 hours over a three-year period; however, the Montana Appraisal Board made it an additional hour because a 15-hour standards course was required, and many of the courses were 30-hour courses.

SEN. STEVE BENEDICT asked clarification for his understanding the Montana Board adopted national standards, without which a person could not be recognized nationally as a certified appraiser. **Mr. Rose** said that was true.

Closing by Sponsor:

SEN. DARYL TOEWS said there were 24 departments which required continuing education, and the Appraiser's Association was a good example of how requirements for continuing education could grow. He said even if a person were a licensed appraiser, he or she would not have enough credentials to do all types of appraisals in Montana. He said they have adopted the higher national standard so they could go wherever they wanted to go, even cross state lines. **SEN. TOEWS** said the underlying question still was, "Is it the duty of Montana government to regulate industry, or is it the duty of the profession?" He maintained it was not the duty of the state of Montana.

{Tape: 2; Side: A; Approx. Time Count: 10:57 a.m.; Comments: N/A}

EXECUTIVE ACTION ON SB 111

Motion: **SEN. STEVE BENEDICT MOVED DO PASS ON SB 111, WITH THE PROVISO HE WOULD BE OFFERING TO TABLE SB 111 IN A LATER MOTION.**

Discussion: **SEN. WILLIAM CRISMORE** asked for the latest information on SB 111. **SEN. BENEDICT** said they were trying to prevent the movement forward of many bills addressing basically the same issues, i.e. combine as many of the bills as possible into one bill. He said the Kennedy-Kassebaum Compliance Bill contained essentially the provisions in SB 111 and SB 112; therefore, he was asking the Committee's concurrence in tabling both bills.

Frank Cote said he had not been in contact with the sponsor of either bill. **SEN. BENEDICT** reminded the Committee both sponsors had been at the hearings when it was mentioned the bills came under the Kennedy-Kassebaum bill.

MOTION/VOTE: **SEN. STEVE BENEDICT MOVED TO TABLE SB 111. Motion CARRIED UNANIMOUSLY 6-0, WITH A ROLL CALL VOTE.**

EXECUTIVE ACTION ON SB 112

Motion: **SEN. STEVE BENEDICT MOVED DO PASS ON SB 112.**

Motion/Vote: SEN. STEVE BENEDICT MOVED TO TABLE SB 112. Motion CARRIED UNANIMOUSLY 6-0.

EXECUTIVE ACTION ON SB 113

Motion: SEN. BEA MCCARTHY MOVED DO PASS ON SB 113.

Amendments: SEN. BEA MCCARTHY MOVED DO PASS ON AMENDMENTS (EXHIBIT 25)

Discussion: SEN. MCCARTHY explained the amendments were offered by the Farmers Insurance Group.

SEN. BENEDICT said he also had visited with most of the insurers involved and all concurred on the amendments.

Vote: Motion DO PASS ON AMENDMENTS sb 011301.abc CARRIED UNANIMOUSLY 6-0.

Motion/Vote: SEN. BEA MCCARTHY MOVED DO PASS ON SB 113 AS AMENDED. Motion CARRIED UNANIMOUSLY 6-0.

EXECUTIVE ACTION ON SB 118

Motion: SEN. WILLIAM CRISMORE MOVED DO PASS ON SB 118.

Amendments: SEN. WILLIAM CRISMORE MOVED DO PASS ON AMENDMENTS (EXHIBIT 26)

Discussion: SEN. WILLIAM CRISMORE said all amendments except #5 & #11 were in the original.

Motion: Motion DO PASS ON AMENDMENTS CARRIED UNANIMOUSLY 6-0.

Motion/Vote: SEN. WILLIAM CRISMORE MOVED DO PASS FOR SB 118 AS AMENDED. Motion CARRIED UNANIMOUSLY 6-0.

EXECUTIVE ACTION ON HB 16

Motion/Vote: SEN. BEA MCCARTHY MOVED DO CONCUR FOR HB 16. Motion CARRIED UNANIMOUSLY 6-0.

HEARING ON SB 229

Opening Statement by Sponsor: **Sen. Thomas,** S. D. 31 introduced the bill. **EXHIBIT 1.**
{Tape: 1; Side: 1; Approx. Time Count: 11.8; Comments: None.}

Proponents' Testimony:
Don Anderson, Dir. of Mental Health and Addiction Therapy, Dept. of Health and Human Services.
{Tape: 1; Side: 1; Approx. Time Count: 15.4; Comments: None.}

Kathy McGowan, MT Mental Health Services
{Tape: 1; Side: 1; Approx. Time Count: 17.2; Comments: None.}

Jim Parker, MT Health Care
{Tape: 1; Side: 1; Approx. Time Count: 21.6; Comments: None.}

Dave Pachek, Mental Health Services Employee
{Tape: 1; Side: 1; Approx. Time Count: 24.0; Comments: None.}

Opponents' Testimony: None

Informational Testimony:
Mary McCue, Health Counselor
{Tape: 1; Side: 1; Approx. Time Count: 25.9; Comments: None.}

Gloria Hermanson, MT Psychological Assn.
{Tape: 1; Side: 2; Approx. Time Count:.1; Comments: None.}

Bob Torres, MT Assn of Clinical and Social Workers
{Tape: 1; Side: 2; Approx. Time Count: .6; Comments: None.}

Questions From Committee Members and Responses:
{Tape: 1; Side: 2; Approx. Time Count: 1.9; Comments: None.}

Closing by Sponsor: **Sen. Thomas** closed. **Rep. Kasten** to carry.
{Tape: 1; Side: 2; Approx. Time Count: 11.3; Comments: None.}

HEARING ON SB 112

Opening Statement by Sponsor: **Sen. Van Valkenburg,** S. D. 32 introduced the bill. **EXHIBIT 2**
{Tape: 1; Side: 2; Approx. Time Count: 15.7; Comments: None.}

Proponents' Testimony:
Frank Cote, Dep. Commissioner of Insurance, State Auditor
{Tape: 1; Side: 2; Approx. Time Count: 23.5; Comments: None.}

Tom Hopgood, Am. Council of Life Insurers
{Tape: 1; Side: 2; Approx. Time Count: 25.5; Comments: None.}

Susan Good, MT Assn of Life Underwriters and HEAL
{Tape: 1; Side: 2; Approx. Time Count: 26.0; Comments: None.}

Roger McGlenn, IIAM
{Tape: 2; Side: 1; Approx. Time Count: .8; Comments: None.}

Riley Johnson, Viaticus, Inc.
{Tape: 2; Side: 1; Approx. Time Count: 1.3; Comments: None.}

Opponents' Testimony: None

Questions From Committee Members and Responses:
{Tape: 2; Side: 1; Approx. Time Count: 2.5; Comments: None.}

Closing by Sponsor: **Sen. Van Valkenburg** closed. **Rep. Pavlovich** to carry. **EXHIBIT 3.**
{Tape: 2; Side: 1; Approx. Time Count: 27.8; Comments: None.}

HEARING ON SB 120

Opening Statement by Sponsor: **Sen. Mahlum,** S. D. 35 introduced the bill.
{Tape: 2; Side: 2; Approx. Time Count: 1.6; Comments: None.}

Proponents' Testimony:
Riley Johnson, National Federation of Independent Businessmen
{Tape: 2; Side: 2; Approx. Time Count: 5.3; Comments: None.}

Charles Brooks, Billings Chamber of Commerce
{Tape: 2; Side: 2; Approx. Time Count: 5.9; Comments: None.}

Chris Gallus, MT Chamber of Commerce
{Tape: 2; Side: 2; Approx. Time Count: 6.7; Comments: None.}

John Andrew, Dept of Labor and Industry
{Tape: 2; Side: 2; Approx. Time Count: 7.0; Comments: None.}

Opponents' Testimony: None

Questions From Committee Members and Responses:
{Tape: 2; Side: 2; Approx. Time Count: 7.4; Comments: None.}

Closing by Sponsor: **Sen. Mahlum** closed. **Rep. Sliter** to carry.
{Tape: 2; Side: 2; Approx. Time Count: 11.1; Comments: None.}

EXECUTIVE ACTION ON SB 120

Motion/Vote: **Rep. Sliter** moved do concur SB 120. Motion carried unanimously.
{Tape: 2; Side: 2; Approx. Time Count: 13.1; Comments: None.}

EXECUTIVE ACTION ON HB 512

Motion: **Rep. Squires** moves do pass HB 512.
{Tape: 3; Side: 1; Approx. Time Count: 1.4; Comments: None.}

Discussion:
{Tape: 3; Side: 1; Approx. Time Count: 2.0; Comments: None.}

Motion/Vote: **Rep. Sliter** moved to table HB 512. Motion carried roll call vote 12-6.
{Tape: 3; Side: 1; Approx. Time Count: 4.7; Comments: None.}

EXECUTIVE ACTION ON SB 88

Motion: **Rep. Tuss** moved do concur SB 88.
{Tape: 3; Side: 1; Approx. Time Count: 6.8; Comments: None.}

Motion:**Rep. Tuss** moved to adopt Tuss amendments. **EXHIBIT 4.**
{Tape: 3; Side: 1; Approx. Time Count: 7.2; Comments: None.}

Motion/Vote: Rep. Sliter moved to segregate Tuss amendments separating #3. Motion on 1 and 2 carried unanimously.
{Tape: 3; Side: 1; Approx. Time Count: 8.9; Comments: None.}

Motion/Vote: Rep. Tuss offered substitute amendment for No. 3 to change the effective date. Motion carried unanimously.
{Tape: 3; Side: 1; Approx. Time Count: 15.8; Comments: None.}

Motion: Rep. Devaney moved do concur as amended.
{Tape: 3; Side: 1; Approx. Time Count: 15.9; Comments: None.}

Discussion:
{Tape: 3; Side: 1; Approx. Time Count: 16.3; Comments: None.}

Vote: Motion do concur as amended roll call vote passed 11-7.
{Tape: 3; Side: 2; Approx. Time Count: 5.1; Comments: None.}

EXECUTIVE ACTION ON SB 112

Motion: **Rep. Ewer** moved do concur SB 112.
{Tape: 3; Side: 2; Approx. Time Count: 6.3; Comments: None.}

Motion/Vote: Rep. Trexler moved to adopt Trexler amendments. Motion carried unanimously.
{Tape: 3; Side: 2; Approx. Time Count: 7.1; Comments: None.}

Motion/Vote: **Rep. Ewer** moved do concur as amended. Motion carried unanimously.
{Tape: 3; Side: 2; Approx. Time Count: 7.8; Comments: None.}

HOUSE STANDING COMMITTEE REPORT

March 12, 1997

Mr. Speaker: We, the committee on **Business and Labor** report that **Senate Bill 112** (third reading copy -- blue) **be concurred in as amended.**

Signed: *Bruce Simon, Chair*

And, that such amendments read: **Carried by: Rep. Pavlovich**

1. Page 1, lines 15, 26, and 29.
Strike: "16"
Insert: "15"

2. Page 1, line 22.
Following: "3103."
Insert: "[Section 15] also requires the commissioner to adopt rules that establish fees that are commensurate with those required under 33-22-708."

3. Page 3, lines 7 and 26.
Strike: "16"
Insert: "15"

4. Page 4, line 18.
Strike: "16"
Insert: "15"

5. Page 6, line 4.
Strike: "16"
Insert: "15"

6. Page 6, lines 6 through 11.
Strike: section 8 in its entirety
Renumber: subsequent sections

3-12-97

Committee Vote:
Yes 19, No 0.

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7. Page 7, line 27.
Strike: "16"
Insert: "15"

8. Page 8, line 15.
Strike: "9"
Insert: "8"

9. Page 11, lines 2, 15, and 16.
Strike: "16"
Insert: "15"

10. Page 11, line 12.
Following: "establish"
Insert: ": (a)"

11. Page 11, line 13.
Following: "contracts"
Insert: "; and"
(b) fees that are commensurate with fees charged pursuant to 33-2-708

-END-

HOUSE OF REPRESENTATIVES

BUSINESS AND LABOR COMMITTEE

ROLL CALL DATE 3/12/97

NAME	PRESENT	ABSENT	EXCUSED
Bruce Simon, Chairman	✓		
Paul Sliter Vice Chairman	✓		
Bob Pavlovich, Vice Chairman	✓		
Joe Barnett	✓		
Rod Bitney	✓		
Sylvia Bookout	✓		
Charles Devaney	✓		
David Ewer	✓		
Kim Gillan	✓		
Billie Krenzler	✓		
Bob Lawson	✓		
Rod Marshall	✓		
Gay Ann Masolo	✓		
Wes Prouse	✓		
Carolyn Squires	✓		
Jay Stovall	✓		
Cliff Trexler	✓		
Joe Tropila	✓		
Carley Tuss	✓		